



**CITY OF MORGAN HILL**

**CITY COUNCIL  
MORGAN HILL REDEVELOPMENT AGENCY**

**COUNCIL CHAMBERS**

17555 PEAK AVENUE MORGAN HILL CALIFORNIA 95037

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**COUNCIL MEMBERS**

Dennis Kennedy, Mayor  
Hedy L. Chang, Mayor Pro Tempore  
Cynthia J. Cook, Council Member  
Steve Tate, Council Member  
Greg Sellers, Council Member

**REDEVELOPMENT AGENCY**

Dennis Kennedy, Chairperson  
Cynthia J. Cook, Vice-Chairperson  
Hedy L. Chang, Agency Member  
Steve Tate, Agency Member  
Greg Sellers, Agency Member

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**WEDNESDAY, DECEMBER 15, 1999**

**AGENDA**

**JOINT MEETING**

**CITY COUNCIL REGULAR MEETING**

**and**

**REDEVELOPMENT AGENCY SPECIAL MEETING**

*A Special Meeting is called for Wednesday, December 15, 1999 at 6:00 P.M. for the purpose of conducting two Redevelopment Agency Closed Sessions.*

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**Dennis Kennedy, Mayor/Chairperson**

**6:00 P.M.**

**CALL TO ORDER**

( Mayor/Chairperson Kennedy)

**ROLL CALL ATTENDANCE**

(City Clerk/Agency Secretary Torrez)

**DECLARATION OF POSTING OF AGENDA**

**Per Government Code 54954.2**

(City Clerk/Agency Secretary Torrez)

**OPPORTUNITY FOR PUBLIC COMMENT**

***Redevelopment Agency Action***

**CLOSED SESSION:**

**Time  
Estimate**

**30 minutes**

**CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

Legal Authority: Government Code Section 54956.9(b)(1) and (c)

Significant exposure to litigation pursuant to Government Code Section 54956.9(b)(1): Number of potential cases (1)

Initiation of litigation pursuant to Government Code Section 54956.9(c): Number of potential cases (1)

**30 minutes**

**CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:**

Significant exposure to litigation pursuant to subdivision (b)(3)(E) of Government Code Section 54956.9: (1 case)

**CLOSED SESSION ANNOUNCEMENT:**

**7:00 PM**

**SILENT INVOCATION**

**PLEDGE OF ALLEGIANCE**

**PUBLIC SERVICE ANNOUNCEMENT**

Eric Hilding

**INTRODUCTIONS**

*Shairon Williams, Administration Analyst Trainee*  
Human Resources

*Ryan Do, Junior Engineer*  
Public Works

**CERTIFICATES OF RECOGNITION**

*Emerald Regime Marching Band*

**CITY COUNCIL REPORT**

Mayor/Chairperson Kennedy

**CITY MANAGER'S REPORT**

**CITY ATTORNEY'S REPORT**

**NOW IS THE TIME FOR COMMENTS FROM THE PUBLIC REGARDING ITEMS NOT ON THIS AGENDA.**

(See notice attached to the end of this agenda.)

**PUBLIC COMMENTS ON ITEMS APPEARING ON THIS AGENDA WILL BE TAKEN AT THE TIME THE ITEM IS ADDRESSED BY THE COUNCIL. PLEASE COMPLETE A SPEAKER CARD AND PRESENT IT TO THE CITY CLERK.**

(See notice attached to the end of this agenda.)

**CONSENT CALENDAR:**

The Consent Calendar, Agenda Items #1 through #12 may be acted upon with one motion, a second and the vote. The Consent Calendar items are of a routine or generally uncontested nature and may be acted upon with one motion. Pursuant to Section 5.1 of the City Council Rules of Conduct, any member of the Council or public may request to have an item pulled from the Consent Calendar to be acted upon individually.

## *City Council Action*

Time Estimate		Page
Consent Calendar: 1 - 10 Minutes		
1.	<b><u>ANNUAL FINANCIAL REPORT FOR THE 1998-1999 FISCAL YEAR</u></b> ..... 1 <b><u>Recommended Action:</u></b> <b><u>Accept and File</u></b> the Annual Financial Report for the Year Ended June 30, 1999.	
2.	<b><u>REVIEW OF CITY COUNCIL POLICY FOR SELECTION OF CHAIR AND VICE-CHAIR OF THE PLANNING COMMISSION</u></b> ..... 3 <b><u>Recommended Action:</u></b> <b><u>Approve</u></b> Recommended Policy Change by Minute Action.	
3.	<b><u>CORRECTION TO PREVIOUSLY APPROVED RESOLUTION ADDING CITY COUNCIL MEMBERS TO CALPERS HEALTH PROGRAM</u></b> ..... 11 <b><u>Recommended Action:</u></b> <b><u>Adopt</u></b> Resolution No. 5337 Approving Amendment to the City Contract with the CalPERS Health Program, Adding Members of the City Council to Same.	
4.	<b><u>APPROVAL OF ONE YEAR EXTENSION OF CORPORATION YARD COMMISSION JPA</u></b> ..... 15 <b><u>Recommended Action:</u></b> <b><u>Adopt</u></b> Resolution No. 5338 Approving a One Year Time Extension to the Corporation Yard Commission JPA.	
5.	<b><u>MORGAN HILL LODGING MARKET STUDY</u></b> ..... 19 <b><u>Recommended Action:</u></b> 1. <b><u>Accept</u></b> the Morgan Hill Lodging Market Study; and 2. <b><u>Provide</u></b> Appropriate Direction to Staff Regarding the Processing of Future Applications for Hotel Development as Recommended in the Staff Report.	
6.	<b><u>ADDITION OF POSITION OF CODE ENFORCEMENT OFFICER TO THE AFSCME BARGAINING UNIT AND SALARY SCHEDULE</u></b> ..... 57 <b><u>Recommended Action:</u></b> 1. <b><u>Approve</u></b> the Addition of the Position of Code Enforcement Officer to the AFSCME Local 101 Bargaining Unit; and 2. <b><u>Adopt</u></b> Resolution No. 5340 Amending the Labor Contract between the City of Morgan Hill and AFSCME Local 101 to Add the Position of Code Enforcement Officer to the AFSCME Salary Schedule.	

Time Estimate		Page
<b>Consent Calendar: 1 - 10 Minutes (Continued)</b>		
7.	<b><u>RECLASSIFICATION AND ADDITION TO THE MANAGEMENT RESOLUTION</u></b> .....	65
	<b><u>Recommended Action:</u></b>	
	1. <b><u>Approve</u></b> the Reclassification of the Position of Business Assistance and Housing Services (BAHS) Analyst to the Position of BAHS Manager; and	
	2. <b><u>Adopt</u></b> Resolution No. 5341 Amending the Management, Professional and Confidential Employees Resolution 5320 which Assigns a Salary Range to the Position of BAHS Manager.	
8.	<b><u>YEAR 2000 WORKPLAN UPDATE</u></b> .....	73
	<b><u>Recommended Action:</u></b> <b><u>Accept</u></b> Report.	
9.	<b><u>STUDY TO EVALUATE EXTENDING BUTTERFIELD BOULEVARD FROM COCHRANE ROAD TO PROPOSED ANN SOBRATO HIGH SCHOOL</u></b> .....	81
	<b><u>Recommended Action:</u></b> <b><u>Authorize</u></b> the City Manager to Enter into an Agreement with CCS Planning and Engineering for \$9,500 to Evaluate Extending Butterfield Boulevard to the Proposed Ann Sobrato High School.	
10.	<b><u>AMENDMENT TO IMPROVEMENT AGREEMENT WITH MONTEREY/TENNANT ASSOCIATES, LLC. - MONTEREY STREET &amp; TENNANT AVENUE (RITE AID - APN 817-04-035, 36, 37 &amp; 38)</u></b> .....	85
	<b><u>Recommended Action:</u></b> <b><u>Approve</u></b> Amended Improvement Agreement and <b><u>Authorize</u></b> the City Manager to Sign the Agreement on Behalf of the City with Monterey/Tennant Associates, LLC, at Monterey Street & Tennant Avenue (APN 817-04-035, 36, 37 & 38).	
11.	<b><u>SOLID WASTE DIVERSION ENHANCEMENTS</u></b> .....	97
	<b><u>Recommended Action:</u></b>	
	1. <b><u>Appropriate</u></b> Up to \$50,000 to Fund the Purchase of Additional Solid Waste Containers;	
	2. <b><u>Approve</u></b> Resolution No. 5339 Authorizing the City Manager to Execute the Sixth Amendment to the Solid Waste Franchise Agreement.	
12.	<b><u>REQUEST FOR SPONSORSHIP AND FINANCIAL SUPPORT OF A JANUARY 21, 2000 FORUM ON WOMEN AND GIRLS</u></b> .....	107
	<b><u>Recommended Action:</u></b> <b><u>Endorse</u></b> the <i>Forum on Women and Girls</i> and Fund up to \$1,000 for this Event.	

## Redevelopment Agency Action

### CONSENT CALENDAR:

The Consent Calendar, Agenda Items #13 through #16 may be acted upon with one motion, a second and the vote. The Consent Calendar items are of a routine or generally uncontested nature and may be acted upon with one motion. Pursuant to Section 5.1 of the City Council Rules of Conduct, any member of the Council or public may request to have an item pulled from the Consent Calendar to be acted upon individually.

Time Estimate		Page
Consent Calendar: 1 - 10 Minutes		
13.	<b><u>ANNUAL FINANCIAL REPORT FOR THE 1998-1999 FISCAL YEAR</u></b> ..... 113 <b><u>Recommended Action:</u></b> <b><u>Accept and File</u></b> the Annual Financial Report for the Year Ended June 30, 1999.	
14.	<b><u>VILLA CIOLINO PERMANENT LOAN AMENDMENT</u></b> ..... 115 <b><u>Recommended Action:</u></b> <b><u>Adopt</u></b> Resolution MHRA - 212 to: <ol style="list-style-type: none"> <li><b><u>Approve</u></b> a Modification to the Villa Ciolino Permanent Loan Agreement changing the Loan Rate from 4% Compounded Annually to 4% Simple Interest;</li> <li><b><u>Approve</u></b> a Modification to the Villa Ciolino Permanent Loan Agreement Changing the Pay-back of Agency Loan from a Residual Receipt Note at 75% of the Project Annual Cash Flow to a Residual Receipt Note at 100% of Project Annual Cash Flow; and</li> <li><b><u>Authorize</u></b> the Executive Director to Further Modify the Villa Ciolino Permanent Loan Agreement as Appropriate to Achieve the Purposes for Which the Project Was Approved, So Long as the Loan Does Not Change.</li> </ol>	
15.	<b><u>APPROVAL OF LEASE AGREEMENT WITH VALLEY TRANSPORTATION AUTHORITY FOR THE USE OF A PORTION OF THE UNDEVELOPED AREA OF THE PARK-AND-RIDE LOT FOR A TEMPORARY SKATE PARK</u></b> ..... 129 <b><u>Recommended Action:</u></b> <b><u>Approve</u></b> Lease Agreement with the Valley Transportation Authority (VTA) to Construct a Temporary Skate Park in the Undeveloped Area of the Park-and-Ride Facility Located on Butterfield Boulevard between East Main and East Dunne Avenues.	
16.	<b><u>WORK PROGRAM FOR HOUSING ACTIVITIES FOR FY99-00</u></b> <b><u>(Continued to January 19, 2000)</u></b> ..... 141 <b><u>Recommended Action:</u></b> <b><u>Provide</u></b> Feedback and <b><u>Direction</u></b> to Staff Regarding Work Program Activities, Goals, and Priorities.	

### PUBLIC HEARING:

17.	<b><u>REDEVELOPMENT AGENCY IMPLEMENTATION PLAN (2000 - 2004)</u></b> ..... 147	
30 minutes	<b><u>Recommended Action:</u></b> Request staff presentation. Public Hearing opened. Please limit your remarks to 3 minutes. Public Hearing closed. Agency Discussion. Action - <b><u>Adopt</u></b> Resolution No. MHRA - 211 Which Adopts the City of Morgan Hill Redevelopment Agency Implementation Plan (2000 - 2004);	

Action - **Direct** Staff to Set-up a Study Session to Set Specific Agency Project and Program Priorities.

## City Council & Redevelopment Agency Action

### OTHER BUSINESS:

Time		Page
Estimate		
45 minutes		
18.	<b><u>GENERAL PLAN AMENDMENT GPA 98-01 &amp; ZONING AMENDMENT ZA 99-14: CITY OF MORGAN HILL</u></b> .....	177
	<i>City Council Action:</i>	
	1. <b><u>Adopt</u></b> Resolution No. 5342 Making Findings Pursuant to the California Environmental Quality Act in Connection with the Proposed Community Center;	
	2. <b><u>Adopt</u></b> Resolution No. 5329 Approving General Plan Amendment for the Design Study and Circulation Element; and	
	3. <b><u>Table</u></b> the General Plan Amendment for the Property at the Corner of Fifth Street and Monterey Street and the Zone Change for the Property at the Corner of Diana Avenue and Monterey Street.	
	<i>Redevelopment Agency Action:</i>	
	1. <b><u>Adopt</u></b> Resolution MHRA - 213 Making Findings Pursuant to the California Environmental Quality Act in Connection with the Proposed Community Center; and	
	2. <b><u>Conceptually Approve</u></b> the Corner of Monterey Road and Dunne Avenue for a Community Center of Approximately 44,000 Square Feet.	

### CONSENT CALENDAR:

Time		Page
Estimate		
Consent Calendar: 1 - 10 Minutes		
19.	<b><u>APPROVAL OF JOINT MINUTES OF REGULAR &amp; SPECIAL CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES OF DECEMBER 1, 1999</u></b> .....	249

## City Council Action

### PUBLIC HEARINGS:

Time		Page
Estimate		
20.	<b><u>ZONING AMENDMENT ZA 99-16: CITY OF MORGAN HILL - WOOD SMOKE ORDINANCE (Continued from 12/1/99)</u></b> .....	269
20 minutes	<b><u>Recommended Action:</u></b> Request staff presentation.	
	Public Hearing opened.	
	Please limit your remarks to 3 minutes. Public Hearing closed.	
	Council discussion.	
	Action - <b><u>Approve</u></b> Negative Declaration.	
	The Planning Commission Does Not Recommend Adoption of Ordinance 1468 N.S.	
	Should the City Council Wish to Approve Ordinance 1468 N.S., Approving the Zoning	

Amendment:  
Action- Motion to Waive the Reading in Full of Ordinance 1468 N.S.,  
Motion to Introduce Ordinance 1468 N.S. by Title Only.

**PUBLIC HEARINGS: (continued)**

Time Estimate 20 minutes		Page
21.	<p><b><u>DEVELOPMENT AGREEMENT, DA-99-07: CIOLINO-SOUTH COUNTY HOUSING. APN 767-09-022 THRU 025</u></b> ..... 293</p> <p><b><u>Recommended Action:</u></b> Request staff presentation.  Public Hearing opened.  Please limit your remarks to 3 minutes. Public Hearing closed.  Council discussion.</p> <p>Action- <u>Motion to Waive</u> the Reading in Full of the Development Agreement (DA) Urgency Ordinance No 1469 N.S.,  <u>Motion to Introduce</u> Urgency Ordinance 1469 N.S. by Title Only.</p> <p>Action - <u>Motion to Adopt</u> Urgency Ordinance No. 1469 N.S. (4/5ths Vote Required) by Roll Call Vote.</p>	

**OTHER BUSINESS:**

Time Estimate 10 minutes		Page
22.	<p><b><u>IMPLEMENTATION OF PERS 2% AT 55 RETIREMENT PLAN FOR NON-EMPLOYEES</u></b> ..... 315</p> <p><b><u>Recommended Action:</u></b></p> <ol style="list-style-type: none"> <li><u>Adopt</u> Resolution of Intention to Approve an Amendment to the Contract between the Board of Administration of the Public Employees' Retirement System and the City Council of the City of Morgan Hill;</li> <li><u>Authorize</u> the Mayor to Sign the Attached Agreement between the Board of Administration of the Public Employees' Retirement System and the City Council of the City of Morgan Hill. This Agreement will Provide Section 21354 (2% at 55 Full an Modified Formula) for Local Miscellaneous Members; and</li> <li><u>Motion to Waive</u> the Reading in Full of Ordinance 1470 N.S., Authorizing an Amendment to the Contract between the City of Morgan Hill and the Board of Administration of the California Public Employees' Retirement System; and</li> <li><u>Motion to Introduce</u> Ordinance 1470 N.S. by Title Only.</li> </ol>	
23.	<p><b><u>PARKS, FACILITIES AND RECREATION PROGRAMING MASTER PLAN-TASK FORCE TEAM SELECTION PROCESS</u></b> ..... 327</p> <p><b><u>Recommended Action:</u></b></p> <ol style="list-style-type: none"> <li><u>Review</u> Park and Recreation Commission's Recommendations for Task Force Team Selection Appointment Process;</li> <li><u>Provide</u> Input/Modifications; and</li> <li><u>Direct</u> Staff to Proceed with Task Force Team Selection Process as Modified by City Council.</li> </ol>	

<b>24.</b>	<b><u>STUDY MEETING REGARDING GENERAL PLAN UPDATE</u></b> .....	<b>339</b>
<b>10 minutes</b>	<b><u>Recommended Action:</u></b> <u>Select</u> a Date for a Study Meeting to Discuss the General Plan Update.	

**OTHER BUSINESS:** (continued)

<b>Time</b>		
<b>Estimate</b>		
<b>5 minutes</b>		<b>Page</b>

**SECOND READING OF ORDINANCE:** Full Reading Waived By Majority Vote. (Government Code Section 36934)

**Action -- Adopt** Ordinance by roll call vote.

<b>25.</b>	<b><u>ADOPT ORDINANCE NO. 1467 , NEW SERIES</u></b> .....	<b>341</b>
	An Ordinance of the City Council of the City of Morgan Hill Approving an Amendment to Ordinance No. 1377, New Series, to Amend the Development Agreement for the 39-unit Siena Project to Include a Two-lot Subdivision Located at the End of Calle Siena (APNs 726-21-023 thru 031 and 726-21-034 thru 064.)	

## ***Redevelopment Agency Action***

**OTHER BUSINESS:**

<b>Time</b>		
<b>Estimate</b>		
<b>30 minutes</b>		<b>Page</b>
<b>26.</b>	<b><u>EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT (ERN) FOR THE RELOCATION OF THE MORGAN HILL ELEMENTARY SCHOOL BUILDING (DI SALVO)</u></b> .....	<b>353</b>

**Recommended Action:**

1. **Approve** the Deal Points with J. L. Di Salvo and His Project Team for the Relocation of the Morgan Hill Elementary School Building;
2. **Authorize** the Executive Director to prepare and Execute an Exclusive Rights to Negotiate Agreement (ERN) with Di Salvo, Containing the Approved Deal Points; and
3. **Direct** Staff to Prepare the Final Loan Agreement and Related Documents with Di Salvo, for Agency Board Approval.

**FUTURE COUNCIL-INITIATED AGENDA ITEMS:**

Note: in accordance with Government Code Section 54954.2(a), there shall be no discussion, debate and/or action taken on any request other than providing direction to staff to place the matter of business on a future agenda.

**ADJOURNMENT**